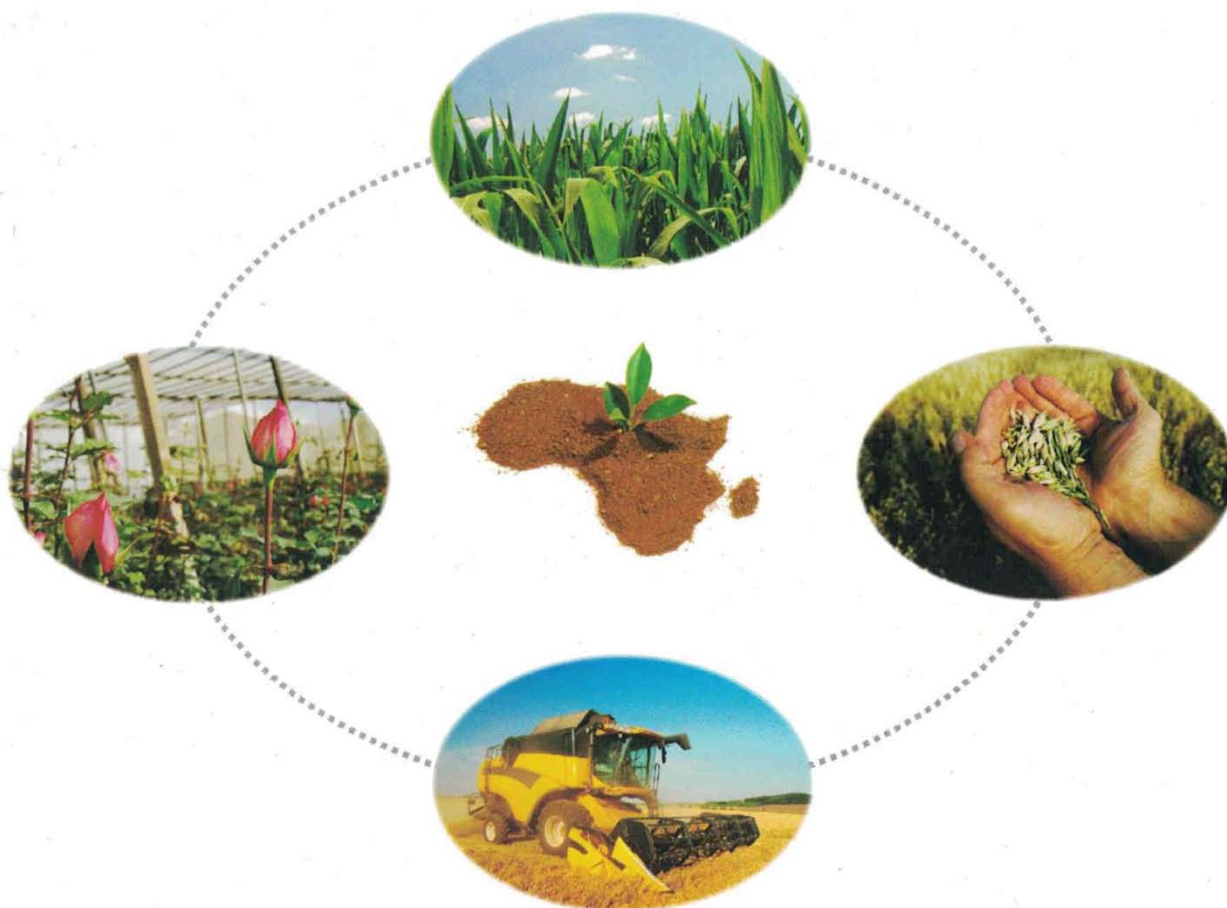




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Twenty Third Annual Report



Neha International Limited

NEHA INTERNATIONAL LIMITED

BOARD OF DIRECTORS

Chairman & Managing Director

Shri G. Vinod Reddy

Directors

Shri P. Sarath Kumar

Smt. Radhika Kandagatla (Up to 20.08.2017)

Shri Mukesh Arora

**** With effect from 29.05.2017**

Chief Financial Officer

Mr. G. Kameshwar Rau

***With effect from 25.05.2017**

Company Secretary

Matru Prasad Mishra

****With effect from 01.09.2016**

Statutory Auditors

M/s Mathesh & Ramana

Chartered Accountants

3-6-145, Himayathnagar

Hyderabad 500 029

Secretarial Auditor

Ashok Pipalwal & Co.

6-6-412/5, 2nd Floor

Gandhinagar,

Secunderabad- 500003

Bankers

**Bank of Maharashtra, Khairatabad Branch,
Hyderabad**

**IndusInd Bank, Secunderabad Branch,
Hyderabad**

**Union Bank of India, RP Road Branch,
Secunderabad**

Registrar & Transfer Agents

XLSofttech Systems Ltd.

**#3, Sagar Society, Road No. 2,
Banjara Hills,**

Hyderabad – 500034

Regd. Office

No. 6-3-1090/a/12 & 13, 5th Floor, Manbhum Jade Tower

Rajbhavan Road, Somajiguda, Hyderabad – 500082

Telangana, India, www.nehainternational.com

Tel: 040-66364543, 66363504

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NOTICE

Notice is hereby given that the 23rd Annual General Meeting of the members of Neha International Limited will be held on Friday 29th of September 2017 at 11.00 a.m at Bhaskara Auditorium, B.M Birla Science Centre, Adarshnagar, Hyderabad 500063 to transact the following business.

ORDINARY BUSINESS:

1. To receive consider and adopt the Audited Financial Statements of the Company for the Financial Year ended 31st March 2017, together with the Report of the Board of Directors and the Auditors thereon and the Audited Consolidated Financial Statements of the Company for the Financial Year ended on 31st March, 2017 together with the Report of the Auditors thereon.
2. To consider the appointment of a Director in place of Mr. G. Vinod Reddy (DIN: 00074308) who retires by rotation and being eligible, offers himself for re-appointment.
3. To ratify the continuation of Statutory Auditor M/S Mathesh & Ramana Chartered Accountants are eligible for continuing appointment and to pass the following resolution as an Ordinary Resolution.

The Statutory Auditor M/S Mathesh & Ramana Chartered Accountants are eligible for continuing appointment and to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 139,142 of the Companies Act, 2013 and other applicable provisions of the Act, if any and their corresponding rules including any statutory modifications, amendments or re-enactments thereof pursuant to the recommendation of Audit Committee and the resolution passed by the Company at the Annual General Meeting held on 30th June, 2015, the appointment of M/S Mathesh & Ramana, Chartered Accountants, having Registration No. 002020S who have confirmed their eligibility in terms of provisions of Section 141 of the Companies Act, 2013 and Rule 4 of Companies (Audit & Auditors) Rules, 2014 as Statutory Auditor to hold office up to the conclusion of 26th Annual General Meeting, be and is hereby relied at such remuneration as may be decided by the Board of Directors of the Company;"

SPECIAL BUSINESS:

4. To regularize and approve the appointment of Mr. Mukesh Arora (DIN: 01677668) as an independent director of the Company.

To consider and if thought fit, to pass with or without modification(s) the following resolution as an **Ordinary resolution**:

"RESOLVED THAT pursuant to section 149, 150,152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory medication(s) or enactment thereof for the time being in force), Mr Mukesh Arora (DIN: 01677668) who was appointed as an Additional Director in the capacity of Independent director of the Company by the Board of Directors effective from 29th May, 2017 and whose term of office expires at the Annual General Meeting in terms of Section 161 of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing from a member along with the requisite deposit in terms of Section 160 of the Companies Act, 2013 signifying his intention to propose his intention to propose Mr. Mukesh Arora (DIN: 01677668) as a candidate for the office of the director of the Company, be and is hereby appointed as an Independent Director of the Company."

5. To regularize and approve the appointment of Mr. Ravi Chand Kotha (DIN: 07807016) as an independent director of the Company.

To consider and if thought fit, to pass with or without modification(s) the following resolution as an **Ordinary resolution**:

"RESOLVED THAT pursuant to section 149, 150,152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory medication(s) or enactment thereof for the time being in force), Mr Ravi Chand Kotha (DIN: 07807016) who was appointed as an Additional Director in the capacity of Independent director of the Company by the Board of Directors effective from 02nd September, 2017 and whose term of office expires at the Annual General Meeting in terms of Section 161 of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing from a member along with the requisite deposit in terms of Section 160 of the Companies Act, 2013 signifying his intention to propose his intention to propose Mr. Ravi Chand Kotha (DIN: 07807016) as a candidate for the office of the director of the Company, be and is hereby appointed as an Independent Director of the Company."

6. Re-appointment of Mr G. Vinod Reddy (DIN: 00074308) as Managing Director of the Company.

To consider and if thought fit, to pass with or without modification(s) the following resolution as a **Special resolution**:

"RESOLVED THAT pursuant to the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors and subject to the Provisions of Section 196,197,198,203 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification or re-enactment thereof) read with Schedule V and Article of Association of the Company, approval of the shareholders be and is hereby accorded to the re-appointment of Mr. G. Vinod Reddy (DIN: 00074308) as Managing Director of the Company for a period of 3 years w.e.f 24.03.2017 to 23.03.2020 and liable to retire by rotation upon the following terms and conditions including remuneration as set out below :-

Period of Appointment: 24.03.2017 to 23.03.2020

Salary: Rs.1,50,000/- Per month

"RESOLVED FURTHER THAT subject to the ceiling on the overall remuneration as per Schedule V part II Section I and Section II, Mr G. Vinod Reddy, Managing Director will be entitled to the reimbursement of actual medical expenses incurred including hospitalization, nursing home and surgical charges for himself and for his family."

By Order of the Board
For Neha International Limited
Sd/-

G. Vinod Reddy
Chairman & Managing Director

Date: 06.09.2017
Place: Hyderabad

NOTES:

1. An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 relating to Special Business to be transacted at the Annual General Meeting is annexed here to.
2. A MEMBER ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY, PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED AT THE COMPANY'S REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE MEETING. PROXIES SUBMITTED ON BEHALF OF LIMITED COMPANIES, SOCIETIES, ETC., MUST BE SUPPORTED BY APPROPRIATE RESOLUTION/ AUTHORITY, AS APPLICABLE.
3. Members are requested to bring their copies of Annual report to the Annual General Meeting.
4. The register of Member's and Share transfer books of the Company will be closed from **23th September, 2017 to 29th September 2017** (both the days inclusive)
5. Members holding shares in physical form are requested to inform any change in address immediately to the Company's Registrar and Transfer Agents, M/s XL Softech Systems Limited, # 3, Sagar Society, Road No.2, Banjara Hills, Hyderabad 500034. Members holding shares in electronic form must send the advice about change in address to their respective Depository Participant and not to the Company or the Company's Register and Share Transfer Agents.
6. Members who hold the shares in dematerialized form are requested to write their Client ID and DPID on the attendance slip for easy identification of attendance at the meeting.
7. In terms of Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 and secretarial standard on general meetings (SS2) information in respect of the Directors seeking appointment/re-appointment at the AGM are given in the annexure to this Notice.
8. Important Communication to Members: The Ministry of Corporate affairs has introduced "Green Initiative in the Corporate Governance" vide its circulars dated 21.04.2011 and 29.04.2011 by allowing the Companies to service the notices / documents including Annual Report by way of e-mail to its members. This initiative is a step towards protection of environment and enabling faster communication with the members.

Accordingly the Company has proposed to serve all the documents to e-mail addresses of the members in coming years. The members are requested to support the green initiative of the Government by registering / updating their e-mail address with their concerned Depository Participants (DP) to get the Annual Report and other documents on such e-mail address. Members holding shares in physical form are also requested to send their e-mail address to the Company either through e-mail at complianceofficer@nehainternational.com or by sending the communication to the registered office of the Company. If any member is interested to receive such documents in physical form, a communication in this regard may be made to the Company. Hence members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all Risks associated with the physical transfer and for ease in portfolio management. Members can contact the Company or the Registrar and Transfer Agent, XL Softech Systems Limited for assistance in this regard.

9. The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on **25.09.2017** and ends on **28.09.2017** at 5 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 22.09.2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (viii) After entering these details appropriately, click on "SUBMIT" tab.

- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Company Name i.e. Neha International Limited> on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Note for Non – Individual Shareholders and Custodians
 - Non-Individual shareholders (i.e. other than Individuals, HUF and NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporate.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favor of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

EXPLANATORY STATEMENT

(Pursuant to Section 102 of the Companies Act, 2013)

Item No. 4

Pursuant to the provisions of Section 161 of the Companies Act, 2013 and Regulation 25(6) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr Mukesh Arora (DIN : 01677668) was appointed as Additional Directors of the Company vide Circular Resolution dated 29th May, 2017 in the category of Non-Executive Independent Director of the Company. He is a member of Audit Committee and Nomination & Remuneration Committee and Stakeholder Committee of the Board of Directors of the Company. The Company has received notices in writing under the provisions of Section 160 of the Act from Members along with required deposit proposing the candidature of Mr Mukesh Arora for the office of Director of the Company.

Mr Mukesh Arora has given declaration to the Board of Directors that he meets the criteria of independence as provided under Section 149 of the Act. The above appointee is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given his consent to act as Director in accordance with Section 152 of the Act. In the opinion of the Board, the above Director fulfils the conditions for his appointment as an Independent Director in terms of Section 149 of the Companies Act, 2013. Keeping in view his vast experience, expertise and knowledge, it would be in the interest of the Company that Mr Mukesh Arora be appointed as an Independent Director.

None of the Directors, Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested in the resolution.

A Brief Profile of Mr. Mukesh Arora

Dr. Mukesh Arora has 20 years of experience in exploration and mining. His qualification is MSC, Mphil, PhD, Mineral Exploration. He is not related to any directors of the Company.

Item No. 5

Pursuant to the provisions of Section 161 of the Companies Act, 2013 and Regulation 25(6) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr Ravi Chand Kotha (DIN : 07807016) was appointed as Additional Directors of the Company vide Circular Resolution dated 02nd September, 2017 in the category of Non-Executive Independent Director of the Company. He is a member of Audit Committee and Nomination & Remuneration Committee and Stakeholder Committee of the Board of Directors of the Company. The Company has received notices in writing under the provisions of Section 160 of the Act from Members along with required deposit proposing the candidature of Mr Ravi Chand Kotha for the office of Director of the Company.

Mr Ravi Chand Kotha has given declaration to the Board of Directors that he meets the criteria of independence as provided under Section 149 of the Act. The above appointee is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given his consent to act as Director in accordance with Section 152 of the Act. In the opinion of the Board, the above Director fulfils the conditions for his appointment as an Independent Director in terms of Section 149 of the Companies Act, 2013. Keeping in view his vast experience, versatile expertise and knowledge, it would be in the interest of the Company that Mr Ravi Chand Kotha to be appointed him as an Independent Director.

None of the Directors, Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested in the resolution.

A Brief Profile of Mr. Ravi Chand Kotha

Mr Ravi Chand Kotha is a management and technology professional. He executed different management roles in CMC LTD. (acquired by TATA Group) and Wave9 technologies.

He holds a degree in Electronics and Communication engineering from JNTU, India and has also done his Post Graduation.

He has experience in international trade and is consultant for various SMEs in international market expansion, specifically focused on UK and European Region.

He is not related to any directors or KMP of the Company.

Item No. 6

As the tenure of Mr. G. Vinod Reddy as Managing Director has come to an end on 23rd March, 2017, with a view to continuing to avail his service, the Board on the recommendation of its Nomination and Remuneration Committee, has been re-appointed as the Managing Director of the Company for a period of three years.

Mr. G. Vinod Reddy (DIN: 00074308) is re-appointed as the Managing Director by the Board of Directors of the Company at their meeting held on 24.03.2017 for a period of 3 years with effective from 24.03.2017.

Mr. G. Vinod Reddy has been associated with the Company for over two decades as its Managing Director. His business acumen and qualities of leadership have contributed in an immense measure to the growth and stability of the company. The Board is of a firm view that it would be in the interest of the company that he be re-appointed as Managing Director and accordingly it recommends the resolution for approval of the Members.

None of the other Directors or Key Managerial Personnel (KMP) or relatives of Directors and KMPs are concerned or interested, financially or otherwise in the Resolution.

By Order of the Board
For Neha International Limited
Sd/-

G. Vinod Reddy
Chairman & Managing Director

Date: 06.09.2017
Place: Hyderabad

ANNEXURE TO THE NOTICE

Details of Directors seeking appointment at the Annual General Meeting.

1.

Name of the Director	Mr. Mukesh Arora
Date of Birth	29 th November, 1965
Date of Appointment	29/05/2017
Qualification	M.Sc., M.Phil, Ph.D
Brief resume and expertise in specific functional areas	20 Years of experience in Mineral Exploration & Mining
Directorship in other Companies	Terra Resources Development Technologies Pvt. Ltd. Terra Reserves Determination Technologies Limited Terra Mining & Mineral Industries Ltd.
Chairmanship/membership of Committees of other Companies	NIL
Shareholding in the Company	NIL

2.

Name of the Director	Mr. Ravi Chand Kotha
Date of Birth	03 rd April 1988
Date of Appointment	02/09/2017
Qualification	Degree in Electronics & Communication Engineering
Brief resume and expertise in specific functional areas	Eminent experience in International Trade and International market expansion.
Directorship in other Companies	GOSAVEEDU AGRO PRIVATE LIMITED
Chairmanship/membership of Committees of other Companies	NIL
Shareholding in the Company	NIL

3.

Details of Directors seeking Re-appointment at the Annual General Meeting.

Name of the Director	Mr. G. Vinod Reddy
Date of Birth	05/02/1962
Date of re-appointment	24/03/2017
Qualification	M.A., (Politics)
Brief resume and expertise in specific functional areas	He is a post- graduate in Political Science and was a Member of India Revenue Services during 1988 to 1994. During his tenure as Managing Director, Neha International Ltd has grown manifold. Mr. Vinod Reddy has end to end experience in building agri business from inception to world class enterprises.
Directorship in other Companies	M V R PROJECTS PRIVATE LIMITED
Chairmanship/membership of Committees of other Companies	NIL
Shareholding in the Company	87758 Shares

DIRECTOR'S REPORT**To the Members,**

The Directors have pleasure in presenting before you the Twenty third Annual Report of the Company together with the Audited Statements of Accounts for the year period ended 31st March, 2017.

FINANCIAL RESULTS:**Stand Alone****(Rs. In lakhs)**

Sl.No.	Particulars	(2016-17) 01.04.2016 to 31.03.2017	(2015-16) 1.04.2015 to 31.03.2016
1	Gross Income	30091.10	25232.84
2	Profit Before Interest and Depreciation	771.59	716.93
3	Finance Charges	399.32	338.41
4	Gross Profit	372.27	378.52
5	Provision for Depreciation	6.27	5.82
6	Net Profit Before Tax	366.00	372.70
7	Provision for Tax	127.55	144.27
8	Net Profit After Tax	238.45	228.43
9	Balance of Profit brought forward	238.45	228.43
10	Balance available for appropriation	238.45	228.43
11	Proposed Dividend on Equity Shares	-	-
12	Tax on proposed Dividend	-	-
13	Transfer from General Reserve	-	-
14	Surplus carried to Balance Sheet	238.45	228.43

FINANCIAL RESULTS: Consolidated (Rs. In lakhs)

Sl.No.	Particulars	(2016-17)	(2015-16)
		01.04.2016 to 31.03.2017	01.06.2015 to 31.03.2016
1	Gross Income	45167.19	64076.01
2	Profit Before Interest & Depreciation	944.73	1519.84
3	Finance Charges	526.12	637.24
4	Gross Profit	418.61	882.6
5	Provision for Depreciation	150.34	147.86
6	Net Profit Before Tax	268.27	734.74
7	Provision for Tax	152.08	214.15
8	Net Profit After Tax	116.19	520.59
9	Minority Interest	-	104.16
10	Balance of Profit brought forward	116.19	624.75
11	Balance available for appropriation	116.19	624.75
12	Proposed Dividend on Equity Shares	-	-
13	Tax on proposed Dividend	-	-
14	Transfer from General Reserve	-	-
15	Surplus carried to Balance Sheet	116.19	624.75

OPERATIONS:

The standalone revenues stood to Rs.30091.10 lakhs for the year ended 31.03.2017. The Company achieved a standalone operational profit of Rs.238.45 Lakhs. The Directors do not recommend any dividend for the period ended 31st March 2017, keeping in mind the fund requirements.

The company recorded revenue of Rs.45167.19 lakhs in consolidated financials for the period ended 31st March 2017.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

In terms of provisions of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Management's Discussion and Analysis is set out in this Annual Report.

CORPORATE GOVERNANCE AND SHAREHOLDERS INFORMATION:

Your Company has taken adequate steps to adhere to all the regulations laid down in SEBI (Listing Obligations and Disclosures Requirements), 2015.

A report on Corporate Governance is included as a part of this Annual Report. Certificate from the Statutory Auditors of the company M/s .Mathesh & Ramana, Chartered Accountants confirming the compliance with the conditions of Corporate Governance as stipulated under SEBI (Listing Obligations and Disclosures Requirements), 2015 is included as a part of this report.

LISTING WITH STOCK EXCHANGES:

The Company confirms that it has paid the Annual Listing Fees for the year 2017-18 to BSE where the Company's Shares are listed.

DEMATERIALISATION OF SHARES:

99.20% of the company's paid up Equity Share Capital is in dematerialized form as on 31st March, 2017 and balance **0.80%** is in physical form. The Company's Registrars are M/s XL Softech Systems Ltd., having their registered office at 3 Sagar Society, Road No.2, Banjara Hills, Hyderabad - 500 034.

Number of Board Meetings held:

This is included in Corporate Governance Report.

Changes & Cessations in Directorships:

In the Board meeting held on 09th March, 2017 Mr. G. Vinod Reddy (DIN: **00074308**) was re-appointed as Managing Director of the Company for a period of three years with effect from 24.03.2017 to 23.03.2020 subject to the approval of members in the AGM. Approval of members needed to be taken in the upcoming AGM to be held on September 29, 2017

Vide Circular resolution dated 29.05.2017 Mr. Mukesh Arora (DIN: **01677668**) has been appointed as Additional Director (Independent) category by the Board. Approval of members by way of Ordinary resolution is required for regularization of appointment of Mr Mukesh Arora in the AGM to be held on September 29, 2017.

Vide Circular resolution dated 02.09.2017 Mr. Ravi Chand Kotha (DIN: **07807016**) has been appointed as Additional Director (Independent) category by the Board. Approval of members by way of Ordinary resolution is required for regularization of appointment of Mr Ravi Chand Kotha in the AGM to be held on September 29, 2017.

Smt. Radhika Kandagatla resigned from the office of Independent Director with effect from 21.08.2017 due to her personal reason. The Board placed on record its appreciation for the Services, guidance and assistance provided by her while working as a director of the Company.

Changes in the Key Managerial Personnel as below:

Mr. Manoj Sali resigned from the office of Company Secretary on 01.09.2016 and the Board has appointed Mr. Matru Prasad Mishra as the Company Secretary of the Company with effect from 20.09.2016

Mr Srinivas Sarika resigned from the office of Chief Financial Officer on 24.05.2017 and the Board has appointed Mr. G. Kameshwar Rau as Chief Financial Officer with effect from 25.05.2017

Board Evaluation:

The Board has adopted a formal mechanism for evaluating its performance as well as the Committees including the individual director also including the Chairman of the Board. The exercise was carried out through a structured evaluation process covering various aspects of the Board such as Composition of the Board & Committees, experience & competencies, performance of specific duties & obligations, contribution at the meeting and otherwise, independent judgment, governance issues etc.

Familiarization Programs for Independent Directors:

The Company proactively keeps its directors informed of the activities of the Company, its management and operations and provides an overall industry prospective as well as issues being faced by the industry.

Independent Directors Meeting:

The Independent Directors met on 9th March, 2017 without the attendance of Non- Independent Directors and the members of management. The Independent directors revised the performance of Non-independent directors as a whole, the Chairman of the Company taking into account the various factors and assessed the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Declaration by the Independent Directors:

The Company has received necessary declaration from each independent director under section 149(7) of the Companies Act, 2013 that they meet the criteria of independence as mentioned in Section 149(6) of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

DIRECTORS RESPONSIBILITY STATEMENT:

Pursuant to Section 134(5) of the Companies Act, 2013, Directors of your Company hereby state and confirm that:

- in the preparation of the annual accounts for the period ended 31st March, 2017, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the period and of the profit of the company for the same period;
- the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- they have prepared the annual accounts on a going concern basis;
- they have laid down internal financial controls in the company that are adequate and were operating effectively.
- they have devised proper systems to ensure compliance with the provisions of all applicable laws and these are adequate and are operating effectively.

AUDIT OBSERVATIONS:

The Management has taken reasonable steps for the maintenance of Fixed Assets Register, providing for bad debts, verification of Stock account balances, etc.

The management is taking various steps to improve the net worth and is confident of achieving it in the coming years.

AUDITORS:**i) Statutory Auditors:**

The Auditors, M/s Mathesh & Ramana, Chartered Accountant will be ratified by the members in the meeting. Your Directors recommended their appointment.

ii) Secretarial Audit:

According to the provision of section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Secretarial Audit Report submitted by Company Secretary in Practice is enclosed as a part of this report.

Comments on qualifications made in secretarial audit report:**SECRETARIAL AUDITORS' REPORT –****EXPLANATION TO OBSERVATIONS OF AUDIT**

As prescribed under Section 204(1) of the Act, the Company has received the Secretarial Audit Report.

The observations made therein and the corresponding explanations are given below:

Sl. No	Observation	Our Explanation
1	The Company is yet to file Annual Return on Foreign Liabilities and Assets for the Financial Year ended 31 st March, 2016 with the Reserve Bank of India.	Company is operating in various territory of the world with the presence of its subsidiaries in different regions. Due to differences in financial year of the Subsidiaries from the parent Company there was delay in the audit process of subsidiaries and delay in the preparation of accounts of subsidiaries. Company has also intimated BSE regarding the same. Generally the Company is regular in complying the regulatory Compliances under relevant act/Regulations. It was missed inadvertently. The Company does not have any mala-fide intention regarding this. Regulatory provision shall be conformed in entirety. However the Company will be cautious for compliance of the said act/regulations.
2	The Company has not Consolidated its Financial Statements within specified time as required under regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the financial year ended 31 st March, 2016.	
3	The Company has not filed Share Transfer Certificate with BSE Limited for the half year ended 30 th September, 2016 as required under Regulation 7 of SEBI(Listing Obligations and Disclosures Requirements) Regulations, 2015.	
4	The Company has not filed Reconciliation of Share Capital Audit report with BSE Limited for the Quarter ended 30 th June, 2016 as required under regulation 55A of SEBI (Depository and Participants) Regulations, 1996.	
5	The Company has not accepted deposits in terms of provisions of Section 73 to 76 of Companies Act, 2013 read with rules made there under. However in one instance the advances received from Customers towards supply of goods/provision of services remained for a period beyond 365 days.	